ENERGY-WATER APPROPRIATIONS/Appalachian Regional Commission

SUBJECT: Energy and Water Development Appropriations Bill for fiscal year 1997 . . . S. 1959. Domenici motion to table the Grams amendment No. 5100.

ACTION: MOTION TO TABLE AGREED TO, 69-30

SYNOPSIS: As reported, S. 1959, the Energy and Water Development Appropriations Bill for fiscal year 1997, will provide \$20.735 billion in new budget authority to the Department of Defense's Civil Corps of Engineers, to the Department of the Interior's Bureau of Reclamation, to the relevant offices within the Department of Energy, and to related independent agencies and commissions.

The Grams amendment would cut funding for the Appalachian Regional Commission (ARC) from \$165 million to \$155.3 million (which would be equal to the House-passed amount) and would require the ARC to prepare a specific plan for downsizing. Debate was limited by unanimous consent. Senator Domenici moved to table the Grams amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The ARC is a success story whose final chapter has yet to be written. It was established in 1965 as part of the war on poverty that was announced by President Johnson. Its mission was, and is, to reduce the rampant poverty that exists in Appalachia. It has had great success in many measures--the poverty rate, the infant mortality rate, the high-school dropout rate, and the unemployment rate have all fallen drastically. Still, the region has a poverty rate that remains above the national average. One of the major efforts of the ARC has been to build the Appalachian Regional Corridor Highways. Those highways are now 76 percent complete, and, like highways everywhere, they have opened up areas to development and prosperity. Many of those uncompleted highways, though, go "halfway to nowhere." If extra money is not given to connect them to other highways, they will be worthless. When the national highway system was build, the rugged mountainous terrain of Appalachia was bypassed, and Appalachia was not developed. The ARC is the

(See other side) **YEAS (69) NAYS (30)** NOT VOTING (1) Republicans Republicans **Democrats Democrats** Republicans **Democrats** (24 or 46%) (45 or 96%) (28 or 54%) (2 or 4%) **(1)** (0)Bennett Akaka Abraham Feingold Frahm-2 Inouve Baucus Johnston Ashcroft Kohl Biden Kennedy Cochran Bond Bingaman Coverdell Kerrey Brown Campbell D'Amato Boxer Kerry DeWine Bradley Lautenberg Chafee Domenici Breaux Leahy Coats Faircloth Levin Cohen Bryan Craig Lieberman Frist **Bumpers** Gorton Mikulski Bvrd Gramm Moseley-Braun Hatch Conrad Grams Grassley Hatfield Daschle Moynihan Helms Dodd Murray Gregg Jeffords Dorgan Nunn Hutchison Kassebaum Pell Inhofe Exon Feinstein Lott Pryor Kempthorne EXPLANATION OF ABSENCE: McConnell Ford Reid Kyl Murkowski Glenn Robb Lugar 1—Official Buisiness Santorum Graham Rockefeller Mack 2—Necessarily Absent Shelby Harkin Sarbanes McCain 3—Illness Specter Heflin Simon Nickles 4—Other Stevens Hollings Wellstone Pressler Thurmond Wyden Roth SYMBOLS: Simpson AY—Announced Yea Smith AN-Announced Nav Snowe PY-Paired Yea Thomas PN-Paired Nay Thompson

VOTE NO. 252 JULY 30, 1996

only source of funds for the Appalachia highway system. Last year's cut in ARC funding combined with the proposed \$17 million cut that is in this bill together add up to a 41-percent reduction for this program in just 2 years. We cannot countenance a further cut, and must therefore urge the tabling of the Grams amendment.

Those opposing the motion to table contended:

The Grams amendment would make a \$10-million reduction in ARC funding, bringing the Senate bill into agreement with the House-passed bill. Frankly, we would like to go a lot further--this program should be eliminated immediately. Senators often justly complain when Members stick "porkbarrel" projects into appropriations bills. Such projects bring money and benefits to particular States or districts but serve no national purpose. Due to our country's tremendous fiscal problems and to Americans' increased opposition to such spending, the number of porkbarrel projects has declined dramatically in recent years. However, the largest, most unjustifiable program of all, the ARC, continues its 30-year legacy of waste.

The ARC was created in 1965 as a supposedly temporary program to address poverty in Appalachia, a mountainous region spanning 13 States. It annually doles out funds for dozens of porkbarrel spending projects scattered about these States. One of the recent projects that was approved, supposedly as part of the war on poverty, was to build a practice stadium for the professional football team the Panthers. After 30 years and \$7 billion of spending on this program, we think it is fair to ask how the program has worked. According to scholar Michael Bradshaw, who analyzed Government policy in the region over the past several decades, the ARC has apparently had little effect. Poverty has declined, but the declines have been due almost entirely to external economic factors. For instance, in the 1980s, there was very strong economic growth in the region, just as there was throughout the country, due to the pro-growth policies of President Reagan. However, during those same years, ARC funding was cut by 40 percent. Further, those counties that have received the bulk of the porkbarrel spending over the years are the counties that are still in the worst shape. There is scant evidence that \$7 billion in ARC spending has done anything for Appalachia.

Even if the program worked it would not be justified. The rural poverty rates throughout Appalachia are no worse than they are anywhere else in the country, but this is the only region that is given an extra piggy bank of funds by the Federal Government. The United States has 62 Federal economic development programs. The ARC is the only program that specifically limits its benefits to a few States. States like Minnesota, which has a 12.8 percent poverty rate, are barred from receiving funds, but States with lower poverty rates, like Virginia with a 9.4 percent rate, Maryland with an 11.6 percent rate, and Pennsylvania with an 11.7 percent rate qualify. Why should poor Americans in Appalachia be treated better than other poor Americans? For all Federal spending, the ARC States receive back \$1.21 on average for every \$1 they pay in taxes. Minnesotans receive only 82 cents on the dollar. One major reason for this inequity is that ARC States qualify for all other infrastructure development programs, and are then able to double-dip by getting ARC funds too.

The Grams amendment would not stop this outrage; it would merely lessen it. We are aware that a majority of Senators are unwilling to terminate this mother-of-all porkbarrel spending programs. Hopefully they at least will be willing to put it on a diet.